

Lianhe Ratings Global Limited has affirmed ‘BBB-’ global scale Long-term Issuer Credit Rating of Taixing Runjia Holdings Ltd.; Issuer Rating Outlook Revised to Positive

HONG KONG, 29 February 2024 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has affirmed ‘BBB-’ global scale Long-term Issuer Credit Rating of Taixing Runjia Holdings Ltd. (“TRH” or “the company”). The Outlook is revised to Positive from Stable.

The Issuer Credit Rating reflects a high possibility that the People’s Government of Taixing City (“Taixing government”) would provide strong support to TRH if needed, in light of its indirect majority ownership of TRH, TRH’s strategic importance as an important local investment and development company (“LIDC”) that is responsible for infrastructure construction, area development and state-owned asset operation and management in Taixing City (“Taixing”), especially in the Taixing Economic Development Zone (“Taixing EDZ”), and the linkage between the Taixing government and TRH, including appointment and supervision of the senior management, strategic alignment, major investment and financing plan decisions and ongoing operational and financial support. In addition, the Taixing government may face significant negative impact on its reputation and financing activities if TRH encounters any operational and financial difficulties.

The Positive Outlook reflects our expectation that TRH’s importance would be strengthened given its strategic development role in the involvement in land development and public services business under the guidance of the Taixing government and receiving support from the Taixing government, while the Taixing government will continue to ensure TRH’s stable operation.

Rating Sensitivities

We would consider downgrading TRH’s rating if (1) there is perceived weakening in support from the Taixing government, particularly due to its reduced strategic importance with diminished government functions, or (2) there is a significant reduction of the Taixing government’s ownership of TRH, or (3) there is a downgrade in our internal credit assessment on the Taixing government.

We would consider upgrading TRH’s rating if (1) there is an upgrade in our internal credit assessment on the Taixing government, or (2) there is strengthened support from the Taixing government.

About Lianhe Global

Lianhe Global is an international credit rating company that provides credit ratings to corporations, banks, non-bank financial institutions, local investment and development

companies, and other asset classes around the globe. Lianhe Global also provides credit risk research and other services related to credit ratings.

Rating Methodology

The principal methodology used in this TRH's rating is Lianhe Global's China Local Investment and Development Companies Criteria published on 5 December 2022, which can be found at the website www.lhratingsglobal.com.

Note: The above Issuer/Issuance Credit Ratings are solicited at the request of the rated entity or a related third party.

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